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ABSTRACT

Joe Karbo, author of "The Lazy Man's Way to Riches," has pioneered several of the techniques used in get-rich-quick schemes. A typical pitch contains: (1) claims of how easy it is to master the plan; (2) testimonials from ordinary folk, and sometimes quotations from newspapers and magazines; (3) criticisms of competing plans (some even say the author tried other schemes and failed--until he hit upon one that works); (4) a limited time offer; and (5) a money-back guarantee, sometimes even more than your money back if not satisfied. Most schemes are part hype and part information about how to operate some type of business, often direct marketing. Plans include "sure-fire ways to beat the horses, win the lottery, sell mailing lists, arrange loans, help people get money from the government, or peddle travel club memberships. Most established get-rich-quick companies sell nothing more than information about how to sell get-rich-quick schemes. They tell one how to write ads and select media to peddle one's own publications and how to make a million. Better information about money-making techniques is available free at the public library. (MS)

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The Millionaire on the Beach: The Rhetoric of Get-Rich-Quick Schemes

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The Millionaire on the Beach: The Rhetoric of Get-Rich-Quick Schemes

One of the best-selling books of recent years never hit the bookstore racks. Joe Karbo's *The Lazy Man's Way to Riches* has sold over three million copies worldwide since ads showing him standing in front of a Rolls Royce first appeared fourteen years ago. All were peddled through the mail, according to the president of the firm (J. Flanagan, personal communication, 22 July 1987). It isn't even listed in *Books in Print*.

Karbo died a millionaire in 1980, but few people knew he was gone. The company he founded still runs the ads—and they still work. Sales are dropping now, but the book still sold almost 50,000 copies in 1986, according to the mailing list company to which Karbo's firm sells the names of customers.

Karbo is a legend in "direct response" marketing, a \$200 billion a year industry where thousands of entrepreneurs hope to make it big by selling ideas and products directly to consumers. The potential profits are enormous. There are no middlemen—dealers, sales reps, jobbers or wholesalers. All that stands between you and a fortune is a product or idea people want and some creative ads. Or so say the wizards of direct marketing.

Most direct response marketers are legitimate vendors of real

products. Others, including Karbo's firm, sell *ideas* about how to make it big. Karbo's firm, and a hundred others, promise readers that for \$10 or \$12.95 or \$24.95 or more, with little work or skill, they too can make millions. All one needs is the right "secret plan." David Bendah, whose Lion Publishing Company publishes over fifty books on how to get rich, claims to spend close to a million dollars a year placing twenty different full page ads in fifty publications (Miller, 1988, p. 22).

These are not the much more expensive real estate and investment plans sold over late night television for \$99 to \$395 (Eisenberg, 1986). They are the poor man's get-rich-quick schemes, hawked in supermarket tabloids and periodicals like *Income Opportunities* and *Success Opportunities*, promoted in millions of pieces of junk mail, and selling for amounts most struggling people can manage for a chance at financial salvation.

The schemes fall comfortably into the long American tradition of plans to get rich with little effort. They promise those short of cash that Conwell's "Acres of Diamonds" are in their back yards too. Many plans consciously tie their pitch into the American tradition of positive thinking within a vaguely religious framework (Meyer, 1985; Dillon, 1986). As Joe Karbo put it in 1974: "Honestly, this is a religious outlet for me. I have zeal, and expect everyone who works for me to have zeal (Minetree, 1974, p. 57)

In the last year, we investigated many get-rich-quick schemes advertised in periodicals and sold through the mail. We even tried one, following the advice offered for \$12.95 in a book promoted in dozens of full-page magazine ads. In this paper we look at the techniques used to sell these plans.

The Bait

Just about all the get-rich-quick pitches use the techniques Karbo pioneered. They seldom reveal what you will get for the money, more often telling what the plan *isn't* than what it is. A typical pitch contains:

- claims of how easy it is to master the plan;
- testimonials from ordinary folk, and sometimes quotations from newspapers and magazines;
- criticisms of competing plans (some even say the author tried other schemes and failed—until he hit upon one that works);
- a limited time offer;
- finally, there is always a money-back guarantee, sometimes even more than your money back if not satisfied.

Responders are often urged to postdate their checks a month or more.

After reading the promises, we placed orders and began shopping for cars befitting our imminent millionaire status.

Karbo's book arrived first. It's a combination of positive thinking

and mail order techniques. We soon learned that this is typical of the get-rich-quick schemes. Most are part hype and part information about how to operate some type of business, often direct marketing.

Gary Elliston of Costa Mesa, California, boasts a plan "quite different from anything you have ever seen or heard." Our \$24.95 order brought a cheaply printed book advocating positive thinking and promotional product marketing (e.g., selling advertising on plastic cups used in hospitals). He fills the last third of the book with simple wisdom about running a business, such as: "The employer's time is his own. The employee's time belongs to his boss."

Other plans include "sure-fire" ways to beat the horses, win the lottery, sell mailing lists, arrange loans, help people get money from the government, or peddle travel club memberships.

The most bizarre scheme we found came from Frank Wallace of Paramount, California, who offers mysterious mental techniques guaranteed to make anyone do anything (e.g., "subjugate a business or personal adversary" or "command love"). The buyer must promise to use the techniques in an ethical way.

All the plans are "easy." Karbo's ads describe his life of ease on the beach. John Wright claims: "It will take you only two hours to learn how to use this secret. After that everything is almost automatic. After you get started you can probably do everything that is necessary in three hours per week." Tom Daniels of San Leandro,

California offers to explain how to "make up to \$3,000.00 or more per week without leaving home."

And anyone can do it, say the get-rich-quick gurus. After all, they did! Karbo explains: "You think you've got problems? Well, I remember when a bank turned me down for a \$200 loan.... I remember the day my wife phoned me, crying, because the landlord had shown up at the house, demanding his rent—and we didn't have the money to pay it."

Ruth Aycock from Salt Lake City confesses: "A little while ago, my life was so miserable. I had just gotten married and my husband lost his job.... To make matters worse, I got pregnant and yet we had no money for a doctor or insurance. The only thing we owned were a few dishes that I had collected before I got married. We were getting ready to sell our little car that was all smashed up in the front, but we would have ended up paying an additional \$1,000 to the bank." Most plans are offered by people who describe themselves as failures, until in a moment of blinding insight, they achieved financial salvation.

The Bite

To "prove" that anyone can do it, almost every ad includes testimonials from ordinary folk who tried the plan and made their fortunes. Don Joseph of Thornton, Illinois went the furthest, mailing

us seven pages of testimonials from 101 delighted customers. Of course no addresses or phone numbers are provided, though ads sometimes note the original letters are available at the office for inspection, for those who want to travel a thousand miles to check on a \$12.95 investment. Many follow Karbo's lead and provide the names of their bankers or accountants, for those doubting their millionaire status.

The better-known get-rich-quick gurus cite media "endorsements" of their plans—or so they suggest. Karbo's ads quote *Time's* 1973 description of him as "the prototype for...the 'The Lazy Man's Way to Riches.'" The ads ignore the magazine's judgment that the book was "part rip-off, part a paeon to the potential of positive thinking" ("Rich and lazy," 1973). Gail Howard, who promises to teach the reader how to beat the lottery, cites her "interview" in the *Wall Street Journal*, which turns out to be several quotations in a more general article. She doesn't reveal what else the *Journal* said: her newsletter tells how to pick lottery numbers astrologically; one author in her newsletter claims lottery number patterns appear "as tiny living beings with their own personalities and behavior patterns."

The incredible claims made for the plans are part of their appeal. Who wouldn't like to be rich? They even add curious plausibility to the schemes—the reader realizes he's not likely to make a million, but surely the advertiser wouldn't make such astounding claims unless there was at least some truth to them.

Many get-rich-quick ads explain why the plan is being offered for so little money. Howard, for example, confesses that she has long wanted to be rich and famous. Having made her fortune, she lacks only fame—which she expects to gain by helping thousands of struggling people hit it big in the lottery. Aycock writes that “because of the great joy and happiness I’m now experiencing with my husband and family, I’ve decided to write my little secret in a book. I want so badly to share my happiness and **my little secret that no one else knows.**” Her little secret turns out to be no different than dozens of others promoting the way to wealth—she recommends selling things through the mail.

A get-rich-quick ad usually states that the plan is different from all the others, which don’t really work. This is important, since people who fall for one plan will usually fall for others too, but only if they think the others are fresh. As Elliston writes: “I know you’ve probably heard this same kind of story before, and it would be foolish of me not to at least briefly address myself to your skepticism.” Tom Scott of New York City writes: “I short-changed our skimpy food allowance sending away for one money-making plan after another. I found out what you probably already know. They all turned out to be baloney. The only one who made money were the companies who sold them.” Scott lists fifteen things his plan is not, without giving any clear hint of what it is. Since we didn’t send him \$49, we still don’t

know. A good thing, probably. We responded to another his offers, this a request for \$1, with a double our money back guarantee. Our buck got his standard mailing; our request for \$2 went unanswered.

Then there is the "limited-time" offer. Gary Elliston sent us two "Third Notices," requesting urgent action, though we never got notices one and two. Wallace sends his offer for a new system of controlling others (costing \$69.95) by first class mail, with a postmark deadline for buyers of about two days after they receive it. So far, we've heard from him twice, both times with a tight deadline. Magazine ads often state that the offer is good for "30 days," when in fact the same ads appear for a decade. Just as salesmen often win buyers by announcing "prices go up tomorrow," the get-rich-quick schemers create artificial scarcity.

As an additional spur to immediate action, many have imitated Karbo's classic line: "A month from today, you can be nothing more than 30 days older—or you can be on your way to getting rich. You decide." Put that way, what's \$10?

The Bonus

Probably nothing is more convincing to skeptical readers of get-rich-quick ads than the money-back guarantee. Karbo pioneered the idea of holding the buyer's check for 30 days before cashing it. Wright now offers a full year to return his plan. He even offers a

bonus of \$20 to those dissatisfied with it. The buyer learns only after sending in his \$12.95 that to get the "bonus" he has to first try selling something by placing an ad somewhere—at a cost likely to exceed the \$20 bonus. Scott offers triple the price of his plan back—\$147—to those dissatisfied. But they must try the plan for a year and keep a log before he'll send the refund.

We took five promoters up on their offers of money back. They all came, though sometimes it took repeated requests. Elliston sent back our voided charge slip by return mail. Aycock got a refund check to us within two weeks. Wright, who offers not only money back, but a \$20 bonus for those who try the plan without success, sent a postcard noting that the book had been received and the refund was being processed. Three months later, no check having arrived, we tried again. We got a form letter announcing our file had been lost (suggesting that losing files is a regular event there), with a check for \$12.95, but no \$20 bonus. We sent a third letter; a month later the bonus arrived.

The newer ones are chancier. In Grand Rapids, Michigan, the Postal Service recently closed down a first-time seller after he admitted to having made up a full-page newspaper ad from his imagination, impressive sounding testimonials included. He told postal authorities that he had yet to write the book he was advertising. That is not unusual, by the way—Karbo started writing his book only

after receiving the first \$50,000 in orders (Cohen, 1982, pp. 13-14). Aycock held off printing hers until 1500 orders had arrived (Aycock, p. 21).

Get-rich-quick promoters really don't lose much by their money back offers. Karbo some years back had a 7% return rate, entirely acceptable in a business where 15% is tolerable (Cohen, p. 82). The guarantees lure many buyers who otherwise would pass the ad over. And although most customers will be dissatisfied with what they get, sending the material back is a considerable bother. To return the plan means admitting once more to having been taken. It also means wrapping the thing up and taking it to the post office to find how much postage is needed—hardly worth it for the small cost of most plans.

And even if you return the book, the promoter makes money selling your name and address to other promoters. Aycock claims to sell her list twenty to thirty times monthly at a nickel or more a shot (pp. 55-56). From the mail we've received after buying her book, we believe her.

The Bomb

Are the schemes worth the money? Rarely. There simply aren't sure-fire ways to beat the lottery or win at the track (though there are ways to improve the odds). The person who invented a

way to control others probably would find more interesting things to do than offer it to the world at \$69.95.

Like the lottery, most plans sell fantasy. They prey on unsuccessful people gullible enough to try almost anything that sounds good. Few people would pay \$24.95 for Elliston's cheaply printed manual if they had an opportunity to see it first. But his tantalizing prose suggests that his plan, different from all the rest, is the way to financial security. Just as lottery ticket buyers are largely in the lower income groups, so are buyers of these plans, and with much the same motivation—the hope that financial problems may be solved by a miracle. Indeed, marketers of mail order lottery tickets are big buyers of the names of those who have purchased get-rich-quick schemes. And just as there is always next week's lottery drawing, there is always another "unique" way to riches.

We found that many established get-rich-quick companies sell nothing more than information about how to sell get-rich-quick schemes. In other words, they simply tell you how to write ads and select media to peddle your own publications about how to make a million. Such marketing techniques are not far from pyramid schemes; every new marketer bases his "product" on the efforts of his predecessors.

We also discovered that better information about money-making techniques is available free at the public library. *Direct Marketing*,

the trade journal in mail order merchandising, is loaded with helpful tips. There are excellent how-to books written by less passionate and more objective authors.

That isn't to say some people don't make money using the plans. But the vast majority won't. It doesn't take advanced mathematical skills to realize that Wright's scheme, in which he sells the publishing rights to ten brief books, is unlikely to make thousands of people wealthy, particularly since most books published in the U.S. lose money. Karbo may have sold three million copies of his book, but Rolls Royce hasn't sold that many cars yet.

Some plans are thoroughly deceptive. Their apparent success proves that Barnum's theory is as valid today as it was one hundred years ago: "There's a sucker born every minute." Our favorite comes from David Alan of Las Vegas, who claims he and his wife can make a million dollars in a few hours while watching television. His plan turns out to be a simple pyramid scheme requiring 20,000,000 people to receive a mailing before the person on top makes his million.

Some are openly unethical. Martin Zahler of New York, for example, explains how to avoid paying one's debts. He observes: "It may not be the fairest thing to the ones you owe the money to, but it's perfectly legal, and if the laws say you can do it, why buck it?" Zahler also explains how to become a licensed doctor without the unpleasantness of going to school and how to cash bad checks, among

other dubious practices. His promotional material, however, boasts of his reputation for honesty.

An occasional plan even looks feasible. Our favorites come from the J & R Company of Massena, Iowa. Their offers reached us via purchased mailing lists and at first looked to be the standard hokum. One envelope announced the information we had requested had arrived, even though we'd never heard of the operation before—a standard ploy.

The first J & R offer encouraged us to sell the French flying birds widely advertised over cable TV. Unlike most offers, the promise was not instant millions. Complete details of the plan and its requirements were given. Some of the testimonials include full names and addresses; one even had the telephone number. Prospects were urged to send \$26 for samples and information, but the mailing included a prepaid return address sticker to send the samples back should the prospect be dissatisfied, with a promise the money would be refunded within nine days.

The next offer included information on a multi-level long distance telephone service plan, and a pitch to join J & R's marketing advisory service. Here too, complete information was given. Most recently, the firm reported on a multi-level marketing plan to sell water purifying devices. Again, full information was given on the plan, with a solid looking guarantee.

J & R is the only firm (out of more than a hundred we have seen) that offers adequate information about its plans in its promotional material.

Our conclusion is that there aren't many sure-fire ways to riches available for \$12.95 or even \$24.95. But if you want entertaining mail written by some of the ablest artists around, order just one of the plans. Then return it for your money back, and enjoy the offers that will pile up in your box as your name is sold to dozens of other promoters. Or subscribe to *Income Opportunities* or *Success Opportunities* (the latter is free), magazines filled with dozens of ads promising near-instant wealth.

Oh yes, we said we tried a plan (Wright's), using it to promote the book one of us had written. We got eight responses.

We're still looking for a way to get that Rolls. But we may get it yet. Each day's mail brings more offers to make us rich.

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